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12 UNITED STATES DISTRICT COURT
13
14 CENTRAL DISTRICT OF CALIFORNIA

15 SOUND OF LOS ANGELES RECORDS,) CASE NO.
16 INC., a California corpora-)
17 tion and RICHARD G. GRIFFEY,) COMPLAINT FOR DEPRIVATION OF
18 Plaintiffs,) CIVIL RIGHTS [42 U.S.C.
19) §§1981, 1982]; BREACH OF CON-
20) TRACT; BREACH OF THE COVENANT
21) OF GOOD FAITH AND FAIR DEALING;
22 ELEKTRA/ASYLUM RECORDS, a) BREACH OF FIDUCIARY DUTY;
23 division of WARNER COMMUNI-) RESCISSION; DURESS-LENDER'S
24 CATIONS, INC.; WARNER BRO-) LIABILITY; PROMISSORY FRAUD AND
25 THERS MUSIC, a division of) CONCEALMENT; CONSTRUCTIVE FRAUD;
26 WARNER COMMUNICATIONS, INC.;) INTERFERENCE WITH CONTRACT;
27 and WARNER COMMUNICATIONS,) INTERFERENCE WITH PROSPECTIVE
28 INC., a corporation,) ECONOMIC ADVANTAGE; CONVERSION;
Defendants.) MONEY HAD AND RECEIVED; TRADE-
MARK INFRINGEMENT AND DILUTION;
COPYRIGHT INFRINGEMENT; CLAIM
AND DELIVERY; AND FOR AN
ACCOUNTING

RELIEF REQUESTED: MONEY
DAMAGES; TEMPORARY RESTRAINING
ORDER; PRELIMINARY INJUNCTION;
AND PERMANENT INJUNCTION;
RESCISSION OF CONTRACT; AND
FOR AN ACCOUNTING

REQUEST FOR JURY TRIAL

[EXHIBITS FILED CONCURRENTLY
HEREWITH]

Plaintiffs SOUND OF LOS ANGELES RECORDS, INC. ("Solar") and
RICHARD G. GRIFFEY ("Griffey") allege:

JURISDICTION AND VENUE

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1. Solar is a corporation duly organized and existing under the laws of California.

2. Griffey is a citizen of Los Angeles County, California.

3. Solar and Griffey are informed and believe, and upon that basis allege, that Warner Communications, Inc. ("WCI") is and was, and at all times mentioned herein, a corporation purportedly organized and existing under the laws of Delaware and doing business in Los Angeles, California. Solar and Griffey are also informed and believe, and upon such basis allege, that Elektra/Asylum Records is a wholly-owned division of WCI, and at all times mentioned herein, is and was doing business in Los Angeles County, California. The aforesaid defendants are hereinafter collectively referred to as "EA/WCI." Solar and Griffey are further informed and believe that Warner Brothers Music is a wholly-owned division of WCI, and at all times mentioned herein is and was doing business in Los Angeles County, California.

4. Solar and Griffey are informed and believe, and upon that basis allege, that at all times herein mentioned, each of the defendants was the agent of the other; was acting within the scope of such agency; and actively participated in each and all of the acts and conduct alleged with full knowledge of all of the facts and circumstances, including but not limited to, with full knowledge of each and all of the violations of the rights of Solar and Griffey.

5. Jurisdiction is conferred by virtue of Title 28, U.S.C. §1332(a)(1), because of a diversity of jurisdiction and

1 the amount in issue exceeds \$10,000.00; jurisdiction is also
2 conferred by virtue^{SP} the United States Copyright Law of 1976,
3 17 U.S.C. Section 101 et. seq., of the Trademark Act of 1946,
4 15 U.S.C. Section 105, et. seq., the Civil Rights Act of 1866
5 and related statutes, 42 U.S.C. Section 1981, et. seq.,
6 Sections 1332, 1338, 1343 and 1400 of the Judicial Code, 28
7 U.S.C. Sections 1332, 1338, 1343 and 1400, and the pendent
8 jurisdiction of this Court.

9 6. Venue is proper because all of the alleged contracts
10 subject to this litigation were entered into in Los Angeles
11 County, California and most, if not all, of the breaches
12 occurred wholly or partially in Los Angeles County, California.

13
14 ALLEGATIONS COMMON TO ALL CLAIMS FOR RELIEF

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16 7. At all relevant times, Solar is and was a prominent
17 and highly successful black-owned, "pioneer" producer of
18 phonograph records of American Black music artists.

19 8. At all relevant times, Richard G. Griffey ("Griffey")
20 is and was the principal owner and officer of Solar, and a
21 well-known and highly-regarded American Black "pioneer"
22 producer and expert in the field of American Black music.

23 9. At all relevant times, Griffey also is and was doing
24 business as Hip Trip Music and Spectrum VII Music, which are
25 and were music publishing companies doing business in Los
26 Angeles County, California.

27 10. At all relevant times, EA, as a division of WCI, is
28 and was, among other things, a distributor of aural phonograph

1 records in the United States and throughout the world.

2 11. At all relevant times, Warner Brothers Music, as a
3 division of WCI, is and was, among other things, a publishing
4 distributor of compositions contained within phonograph records.

5
6 A. EA/WCI SOLICITS SOLAR TO ENTER INTO SEVERAL AGREEMENTS
7

8 12. In or about early 1980, EA/WCI approached Griffey and
9 Solar and attempted to and did solicit, and otherwise encourage
10 Griffey and Solar to enter into a series of agreements,
11 including, but not limited to, an exclusive distribution
12 agreement for phonograph records produced by Solar and its
13 artists, and a financing and loan agreement for a Solar office
14 building, all purportedly for the purpose, according to EA/WCI,
15 of making Solar the equivalent of a new and unprecedented
16 in-house Black music division of EA/WCI. EA/WCI represented to
17 Griffey and Solar, on several occasions during late 1980 and
18 early 1981, that EA/WCI wanted and needed the expertise of
19 Griffey in the field of American Black music, the reputation,
20 goodwill and expertise of Solar in the field of American Black
21 music, and the identification with and public affiliation with
22 Solar's reknowned and successful American Black artists.
23 EA/WCI further represented that, in exchange for Griffey and
24 Solar joining forces with EA/WCI and becoming the equivalent of
25 EA/WCI's in-house American Black music division, it would
26 publicize, promote, advance, finance, and otherwise contribute
27 to the economic well-being of Griffey, Solar and Solar's
28 artists by, including but not limited to, distributing the

1 phonograph albums of Solar and its artists and promoting,
2 advertising and publicizing the same in a first-class and
3 professional manner commensurate with the highest and
4 top-quality industry standards, and that Griffey would be
5 consulted on all EA/WCI matters related to American Black
6 music. EA/WCI further represented and warranted at that time,
7 orally and in writing, both expressly and impliedly, as
8 insisted by Griffey and Solar, that EA would retain its base of
9 operations and maintain a significant presence in Los Angeles
10 County, California, all for the purpose of facilitating an
11 ongoing, in-person relationship and communication between
12 Griffey and the then-Chairman of the Board of EA, and between
13 the staffs of Solar and EA.

14 13. At the time that EA/WCI made the aforementioned
15 representations and warranties, EA/WCI was aware that Solar was
16 highly successful and known throughout the music industry as
17 one of the most dynamic, promising and progressive American
18 Black music producers; and, that Griffey was also highly
19 successful and known throughout the industry as a leading force
20 and expert in American Black music. At that time, moreover,
21 and in light of Solar and Griffey's success, public notoriety
22 and esteem, and the quality and public reknown of the artists
23 under contract to Solar, several companies other than EA/WCI
24 were soliciting and attempting to entice Solar to enter into an
25 exclusive record distribution deal.

26 14. On or about May 1, 1981, Solar and Griffey each
27 entered into a series of written contracts with EA/WCI, in
28 reliance upon the truth and accuracy of the representations and

1 warranties made by EA/WCI, including but not limited to,
2 EA/WCI's representation that it would maintain its base of
3 operations in Los Angeles County, California; that Solar would
4 become the equivalent of an in-house American Black music
5 division of EA/WCI; that EA/WCI would finance the construction,
6 furnishings and improvements of an office building which should
7 be purchased by Solar; that Solar and its artists would be
8 financed, promoted, advertised and publicized in a first-class
9 and highly professional manner commensurate with a first-class
10 phonograph record producer in the industry; and, that Griffey
11 would be a consultant to EA/WCI and that EA/WCI would not
12 transact any business in the American Black music area without
13 the input and approval of Griffey.

14 15. On or about May 1, 1981, Solar, Griffey and EA/WCI
15 entered into the following agreements ("the agreements"):

16 (a) A distribution agreement between Solar and EA,
17 the general terms of which provided that EA had acquired the
18 right to exclusively distribute all phonograph records produced
19 by Solar for a five-year period, from May 1, 1981 to May 1,
20 1986, and would promote, advertise and publicize Solar and
21 those American Black artists under contract to Solar throughout
22 that same period ("the distribution agreement"). A true and
23 complete copy is attached hereto as Exhibit "1" and made a part
24 hereof.

25 (b) A consulting agreement between Griffey and EA,
26 the general terms of which provided that EA/WCI engaged Griffey
27 to perform services as a consultant and advisor "with respect
28 to Black music matters" for a term co-extensive and coterminous

1 with the distribution agreement for fixed compensation and a
2 royalty ("the consulting agreement"). A true and correct copy
3 of the consulting agreement is attached hereto as Exhibit "2"
4 and made a part hereof.

5 (c) An option agreement between WCI and Griffey, the
6 general terms of which provided that WCI acquired from Solar an
7 option to acquire all of the issued and outstanding stock of
8 Solar at any time during the period of the distribution
9 agreement, the notice of exercise of which must be given under
10 certain conditions but no later than a six-month time frame
11 during the last year of the distribution period ("the option
12 agreement"). A true and accurate copy of the option agreement
13 is attached hereto as Exhibit "3" and made a part hereof.

14 16. On or about July 23, 1981, as a result of the
15 aforementioned representations and guarantees by EA/WCI, and as
16 part of the aforementioned agreements, Griffey and WCI entered
17 into a loan agreement, the general terms of which provided that
18 WCI loaned to Griffey the sum of \$4.5 million to finance the
19 construction, furnishing and improvements of a Solar office
20 building, with a recording studio and ancillary offices ("the
21 loan agreement"). A true and correct copy of the loan
22 agreement is attached hereto as Exhibit "4" and made a part
23 hereof. EA/WCI, being fully aware of Solar's financial
24 condition, persuaded, enticed and induced Griffey to accept the
25 terms and conditions of the loan agreement, under which WCI
26 took a first deed of trust on the land whereupon Solar's office
27 building is located, and took a security interest in all of
28 Solar's assets, including but not limited to, its recording

1 equipment, copyrights, musical compositions, and all of its
2 entire group of record masters and master recordings.

3 17. In or about January, 1984, EA/WCI coerced, pressured
4 and intimidated Solar and Griffey into amending the
5 distribution agreement and the consulting agreement, in effect
6 reducing EA/WCI's obligations thereunder, by threatening Solar
7 with, among other things, withholding payments so that Griffey
8 and Solar would be unable to pay the loan and mortgage payments
9 on the Solar office building. As a direct and proximate result
10 of such coercion, intimidation and pressure, and to obtain from
11 EA/WCI a payment which was needed and essential to pay
12 Griffey's obligation under the loan agreement and mortgage, and
13 to which Solar already was entitled under the distribution
14 agreement, Solar entered into an agreement amending the
15 distribution agreement ("the amendment to the distribution
16 agreement"). Such amendment bears the date of January 1, 1984,
17 and a true and correct copy is attached hereto as Exhibit "5"
18 and made a part hereof. As a further direct and proximate
19 result of such coercion, intimidation and pressure, and to
20 obtain such payment from EA/WCI to pay Solar's loan and
21 mortgage, Griffey also entered into an amendment to the
22 consulting agreement, reducing his fixed compensation from
23 \$75,000.00 per contract year. Such amendment to the consulting
24 agreement is included in paragraph 22 of Exhibit "5".
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1 expropriate Solar and Griffey's business, as alleged in the
2 foregoing.

3 19. While fully aware that the recording fund and royalty
4 payments collected and payable by EA/WCI to Solar under the
5 distribution agreement, and as amended, were critical to
6 Solar's cash flow and ability to satisfy current debts and
7 expenses, including without limitation, the loan and mortgage
8 obligation to EA/WCI, EA/WCI has repeatedly withheld these and
9 other payments to purportedly offset the same against
10 purported, contrived and phantom obligations or for similar
11 unwarranted purposes. Such undue and improper exercise of
12 control by EA/WCI over Griffey and Solar's financial livelihood
13 and ability to conduct business has made it impossible for
14 Solar to maintain its business, keep current on its debts, and
15 to satisfy Griffey's obligations under the loan agreement.

16 20. Solar and Griffey are further informed and believe,
17 and on that basis allege, that as a further act in EA/WCI's
18 scheme of conduct to financially jeopardize, destroy and
19 expropriate Solar's business, EA/WCI has refused several times
20 from 1984 to date to pay Solar its discretionary allocation of
21 money under the distribution agreement for publicizing,
22 promoting and advertising Solar's musical groups and artists, a
23 benefit which was a crucial condition to Solar and Griffey
24 entering into the agreements, purportedly on the basis that
25 such allocation had been used as an offset against totally
26 unrelated and purported debts of Solar. Attached hereto as
27 Exhibit "6" and made a part hereof, is a July 15, 1986 letter
28 from EA/WCI to Solar, wherein EA/WCI states: "This letter is

1 to advise you that the accrued Proposed Discretionary
2 Allocation... which currently amounts to the sum of \$41,561,
3 that you may direct us to expend on your behalf in accordance
4 with (the distribution agreement) has been used to reduce the
5 debt owed by you to us with respect to Victor Burke and Suzette
6 Charles."

7 21. A chief executive of EA/WCI, in response to Solar and
8 Griffey's request that Solar receive the promotion, advertising
9 and publicity allowance for which Solar had bargained under the
10 distribution agreement, expressly stated that EA/WCI would not
11 promote Solar's artists on the "same level" as white artists
12 regardless of what the agreement stated, and that EA/WCI would
13 not produce or finance promotional videos for Solar's American
14 Black artists because they were black.

15 22. That same executive also stated: "This is America.
16 When you are black in America, you have to expect to get the
17 short end of the stick, and you have to keep your mouth shut."

18 23. Solar and Griffey are also informed and believe, and
19 upon that basis allege, that an EA/WCI executive was fired
20 after he had advocated that EA/WCI expend promotional and other
21 monies on the same level as required by the agreements and as
22 were expended by EA/WCI for white artists.

23 24. Solar and Griffey are further informed and believe,
24 and on that basis allege, that since in or about 1983, in a
25 further act to undermine, expropriate and destroy Solar's
26 business, EA/WCI has discriminated against Solar and Griffey by
27 arbitrarily and unreasonably refusing to adequately market, and
28 by refusing to expend established and adequate sums for the

1 marketing and distribution of the product of Solar and its
2 artists.

3 25. Solar and Griffey are further informed and believe,
4 and on that basis allege, that since in or about 1984 to date,
5 EA/WCI has unduly utilized the precarious financial situation
6 of Solar, created by EA/WCI, to try and extract additional,
7 extortionate concessions from Solar and Griffey, all for the
8 purpose of expropriating their business as alleged in the
9 aforementioned. An example of EA/WCI's extortionate scheme and
10 conduct is the threats and demands contained in the May 28,
11 1986 letter from EA/WCI to Griffey, attached hereto as Exhibit
12 "7" and made a part hereof. EA/WCI states expressly in Exhibit
13 "7" that: "In consideration of [Elektra Asylum] continuing to
14 make the monthly overhead payments to Solar until December 31,
15 1986 and in order for [Elektra Asylum] to pay you now the
16 Midnight Star mechanical royalties currently being held in
17 reserve... we will require Solar to assign to [Elektra Asylum]
18 all its rights (sic) in and to the following artists: Midnight
19 Star, The Deele, Whispers, Lakeside and Shalamar...."

20 26. Solar and Griffey are informed and believe, and upon
21 that basis allege, that EA/WCI, from late 1985 to date, has
22 accelerated the financial pressure on Solar and Griffey by,
23 among other things, continuing to withhold substantial payments
24 due to Solar under the agreements, interfering with Solar's
25 relationship with various of its artists, expropriating the
26 lead singer of one of Solar's premier musical groups, and
27 refusing to turn over master recordings to Solar, necessary to
28 procure alternate financing for its commercial property and

1 office building.

2 27. On or about June 10, 1986, and in furtherance of its
3 design and plan to destroy and otherwise expropriate Solar and
4 Griffey's business, EA/WCI caused a notice of default and
5 election to sell under deed of trust as part of its nonjudicial
6 foreclosure on the loan and mortgage on Griffey's and Solar's
7 business building. A true and correct copy of such notice of
8 default and election to sell under deed of trust is attached
9 hereto as Exhibit "8", and made a part hereof. Such
10 nonjudicial foreclosure was instituted by EA/WCI, as part of
11 its plan and scheme to control, jeopardize and expropriate
12 Solar and Griffey's business, and at a time after EA/WCI had
13 already made it impossible for Griffey and Solar to refinance
14 the commercial loan and relieve Griffey and Solar of such
15 primary obligation to EA/WCI.

16
17 C. THE SPECIFIC EXECUTION BY EA/WCI OF ITS PLAN AND DESIGN
18 TO EXPROPRIATE AND DESTROY SOLAR'S BUSINESS

19
20 28. Solar and Griffey each are informed and believe, and
21 upon that basis allege, that EA/WCI engaged in the following
22 acts and omissions, among others, as part of its deliberate
23 design and scheme to expropriate and destroy the business of
24 Solar and Griffey:

1 Unauthorized Signing of Howard Hewett, Lead Singer Of A
2 Musical Group Under Contract To Solar
3

4 29. At all relevant times, Howard Hewett ("Hewett") is and
5 was the lead singer of a musical group known as Shalamar, a
6 top-selling and internationally-acclaimed musical group under
7 contract to Solar whose phonograph records had been and were to
8 be delivered by Solar to EA/WCI under the distribution
9 agreement.

10 30. Notwithstanding that EA/WCI already retained the
11 exclusive rights to distribute phonograph records recorded by
12 Hewett for Solar, in or about December, 1985, EA/WCI approached
13 Hewett and convinced him to sign a contract with EA/WCI to make
14 a solo record album, without Shalamar, to be produced by
15 EA/WCI, all without the consent and approval of Solar. Hewett
16 subsequently recorded a solo record album under the EA/WCI
17 label which has been released by EA/WCI. Solar at all times
18 made it known to EA/WCI that it considered Howard Hewett a
19 valuable asset of Solar and that EA/WCI could not sign Hewett
20 to a solo album without the express written consent of Solar.
21 These acts and related acts by EA/WCI have also induced Hewett
22 to breach other agreements, including but not limited to, his
23 co-publishing agreement with Griffey.

24 31. At the time that EA/WCI first approached Hewett to
25 date, Shalamar and Hewett were under exclusive contract with
26 Solar to record phonograph albums. Such unauthorized acts by
27 EA/WCI constitute an unlawful interference with Solar's
28 contract with Shalamar and Hewett, interference with Solar's

1 prospective economic advantage, and material breach of EA/WCI's
2 express and implied obligations under the distribution
3 agreement, and as amended.
4

5 Withholding of Recording Fund Payments
6

7 32. On at least two occasions, EA/WCI has unduly and
8 improperly failed to remit recording fund payments owed by
9 EA/WCI to Solar. In or about October, 1985 and thereafter,
10 EA/WCI refused and has refused to pay to Solar any portion of
11 the recording fund on a phonograph record album performed by
12 Solar's musical group, Lakeside, although such album was timely
13 delivered by Solar on the ground that there had been "no
14 delivery" of the Lakeside album merely because EA/WCI did not
15 like the album. EA/WCI also has categorically refused to pay
16 to Solar any portion of the recording fund payment, except for
17 only \$27,500, which was due and owing to Solar upon delivery of
18 Midnight Star's most recent album.

19 33. Despite the express terms of the distribution
20 agreement, and as amended, EA/WCI has not made or offered to
21 make any recording fund payment to Solar during 1986, with only
22 one exception.
23

24 Royalty Reserves - EA/WCI's Abandonment of Fiduciary and
25 Contractual Duties
26

27 34. Paragraph 10(a) of the distribution agreement provides
28 that EA/WCI may retain as a "reserve" a reasonable portion of

1 Solar's accrued royalties in anticipation of charges, third
2 party claims, credits or returns, and that such reserves "shall
3 be liquidated" no later than the second accounting period
4 during which they were "initially retained."

5 35. In or about 1984 through 1986, EA/WCI, in material
6 breach of the distribution agreement and its fiduciary duties,
7 repeatedly failed to liquidate such reserves as required by the
8 distribution agreement, to maintain monies held in reserve in a
9 separate interest-bearing account, and to pay any interest on
10 held monies; EA/WCI also unlawfully commingled such monies, and
11 repeatedly exceeded the maximum reserve limit of 20% of payable
12 royalties. EA/WCI further committed breach by failing to apply
13 returns of a particular phonograph record album directly
14 against reserves of that album before applying them against
15 sales of another album.

16
17 EA/WCI's Failure to Make Required Expenditures for
18 Promotion, Advertising and Publicity
19

20 36. Despite the express requirement of the distribution
21 agreement that Solar and EA/WCI mutually prepare a promotion,
22 advertising and publicity (hereafter "PAP") budget for each
23 calendar quarter, and that EA/WCI expend certain sums for PAP,
24 EA/WCI has refused to meet and prepare such budget and has
25 failed to expend the required PAP sums for Solar's artists,
26 including but not limited, for the promotion of the phonograph
27 records of Solar's artists, to assist those artists'
28 promotional tours, or to support and finance the production and

1 promotion of their promotional music videos. EA/WCI's refusal
2 to plan to promote, to promote, and otherwise spend these
3 contractually-required PAP funds resulted in loss of record
4 sales of Solar's artists, adversely affected their careers,
5 diminished and tarnished Solar's public profile and its
6 business relationship with its artists, and severely diminished
7 the book and market value of Solar.

8
9 EA/WCI's Improper Offset of PAP Discretionary
10 Allocation

11
12 37. Paragraph 31(a)(vi) of the distribution agreement
13 expressly states:

14 "Notwithstanding anything to the contrary contained
15 herein, the PAP allocation shall in all instances be
16 expended solely for direct PAP expenses in connection
17 with records hereunder."

18 In or about 1986, in breach of its contractual and fiduciary
19 duties, EA/WCI improperly applied a substantial portion of
20 Solar's discretionary allocation for PAP against an unrelated
21 debt, purportedly owed by Solar to EA/WCI. As a direct and
22 proximate cause of EA/WCI's deliberate conduct, vendors
23 retained by Solar to provide PAP services have not been paid,
24 Solar has received multiple demands for payment therefrom, has
25 suffered serious damage to its credit and reputation and has
26 been sued.

1 EA/WCI's Improper Taking and Retention of Master
2 Recordings

3
4 38. Paragraph 6(e)(ii) of the distribution agreement
5 provides that Solar is entitled to keep in its custody and
6 control all two-track stereo tapes, "out-takes" and all
7 original session tapes or other multi-track master tapes.
8 Paragraph 6(e)(ii) further provides that even the two-inch
9 tapes which Solar is contractually obligated to provide EA/WCI
10 must remain in Solar's custody and control until delivery. In
11 or about 1986, without Solar's consent or authorization, and in
12 direct breach of its contractual obligations and in violation
13 of its fiduciary and other duties, EA/WCI took possession of,
14 converted and absconded with several master recordings,
15 including without limitation, the studio tapes of Solar's
16 artists, The Deele. EA/WCI's wrongful taking, possession and
17 conversion of those tapes has, among other things, prevented
18 Solar from completing production of The Deele's album.

19
20 EA/WCI's "Passing Off" on Solar's Product

21
22 39. In or about 1985 and 1986, EA/WCI improperly and
23 without Solar's knowledge converted Solar's publicity photos
24 for phonograph record albums, which bear Solar's official
25 trademark and logo, by unilaterally supplanting the Solar logo
26 with the EA/WCI logo, and distributing the publicity photos
27 bearing the doctored logos in interstate commerce.
28

1 EA/WCI's Failure to Pay Royalties for Public
2 Performance of Records
3

4 40. Paragraph 9(h) of the distribution agreement obligates
5 EA/WCI, as Solar's fiduciary, to account for, hold in trust and
6 distribute to Solar its share of royalties and fees received
7 from the public performance of phonograph records covered by
8 the distribution agreement. In or about 1984 through 1986, and
9 in material breach of the distributory agreement, EA/WCI has
10 failed to properly account for, collect and disburse to Solar
11 its share of such royalties.
12

13 EA/WCI's Failure to Pay Additional Royalties for
14 Six-Minute Compositions
15

16 41. Paragraph 11(a)(i) of the distribution agreement
17 provides that Solar shall be paid twice the amount of the
18 statutory royalty rate for individual songs that exceed six (6)
19 minutes in length. In or about 1984 to 1986, every twelve (12)
20 inch album submitted by Solar to EA/WCI during the term of the
21 distribution agreement contained a "dance number" in excess of
22 six minutes. EA/WCI has failed and refused to pay to Solar the
23 required higher royalty for compositions which exceed
24 six-minute compositions.
25

26 EA/WCI's Failure to Reimburse Solar for Artwork Costs
27

28 42. Paragraph 30(b) of the distribution agreement provides

1 that EA/WCI must reimburse Solar for actual costs in connection
2 with artwork for the covers of phonograph record albums in the
3 amount of \$8,000.00 per album and \$10,000.00 per each album
4 delivered during the fourth or fifth contract years of the
5 distribution agreement. In or about 1984 to 1986, despite
6 Solar's submission of receipted invoices and repeated requests
7 therefor, EA/WCI has failed to fully reimburse Solar for
8 artwork costs in the amounts required by the distribution
9 agreement and amendment thereto, all in material breach of
10 those agreements and EA/WCI's fiduciary duties.

11
12 EA/WCI's Improper Accounting of "Unrecouped" Budget on
13 Dropped Artists

14
15 43. Although paragraph 2(a) of the amendment to the
16 distribution agreement required Solar to eliminate "dropped
17 artists" from its roster and to terminate each dropped artist's
18 agreement, EA/WCI has continued to carry the "unrecouped"
19 budget for those artists on its Solar royalty statement, to
20 Solar's detriment and in breach of the distribution agreement,
21 and as modified, and EA/WCI's fiduciary duty.

22
23 EA/WCI's Unauthorized Release of Compact Discs (CDs)

24
25 44. Paragraph 12(a) of the amendment to the distribution
26 agreement obligates EA/WCI to obtain Solar's express consent
27 before releasing certain CD albums. In or about 1985 and 1986,
28 EA/WCI has released Shalamar and Whispers CD albums without the

1 prior consent of Solar. In further breach of its contractual
2 and fiduciary duties, EA/WCI has failed to accurately account
3 for royalties derived from such CD sales or to accord Solar
4 "most favored nations" treatment for payment of such royalties,
5 as required by paragraph 12(a) of the amendment to the
6 distribution agreement.

7
8 EA/WCI's Failure To Pay Griffey Under The Consulting
9 Agreement

10
11 45. Paragraph 22 of the amendment to the distribution
12 agreement provides that Griffey shall receive from EA/WCI
13 \$25,000 compensation during 1986 pursuant to his consulting
14 agreement with EA/WCI. EA/WCI has breached the consulting
15 agreement, the amendment to the distribution agreement and its
16 fiduciary duty to Griffey by failing and refusing to make such
17 payment.

18
19 Midnight Star - EA/WCI's Interference With Contract
20 And Improper Accounting of \$600,000 "Direct Payment"
21

22 46. EA/WCI has attempted to interfere with Solar's
23 relationship with Midnight Star and position itself favorably
24 with the group, to Solar's detriment, by engaging in several
25 acts, including but not limited to, those enumerated below.

26 47. In or about mid-1985, Solar and Midnight Star, one of
27 Solar's premier and most successful groups, were in the midst
28 of renegotiating their recording contract. In those

1 negotiations, Midnight Star requested an increase in their
2 recording fund payment from the contractual sum of \$250,000 to
3 \$500,000, and Solar and Midnight Star were negotiating over the
4 \$500,000 figure. Notwithstanding these negotiations and that
5 Midnight Star was under contract to Solar, at that time EA/WCI
6 unlawfully interfered with Solar's contractual relations with
7 Midnight Star by making a \$600,000 direct payment to the group
8 purportedly "on behalf" of Solar and Griffey. In breach of the
9 terms of the distribution agreement, and without Solar's or
10 Griffey's authorization or approval, EA/WCI then penalized
11 Solar by recouping the \$600,000 payment directly against
12 existing royalties already held by EA/WCI for and on behalf of
13 Solar, even though EA/WCI had previously represented to
14 Midnight Star that it would not offset the payment against
15 existing royalties already earned and would separately account
16 for the payment by offsetting it against future royalties. All
17 of these acts and representations were made by EA/WCI to the
18 detriment of Solar and to the benefit of EA/WCI or a
19 purportedly duly authorized officer thereof.

20 48. EA/WCI has further attempted to interfere with Solar's
21 relationship with Midnight Star by unilaterally granting
22 Midnight Star's request to audit EA/WCI's books and records
23 with respect to the sale and manufacture of Midnight Star
24 records, although paragraph 22(a) of the distribution agreement
25 expressly provides that Solar, the direct contracting party
26 with EA/WCI, is and was "solely responsible" to account to
27 third parties.

28 49. EA/WCI's direct interference with Solar's contractual

1 relationship with Midnight Star and with Solar's prospective
2 economic advantage have damaged Solar's credibility and
3 business relationship with that group, undermined the
4 leadership of the group and caused two principal members to
5 leave the group and further caused Solar to suffer both
6 substantial pecuniary loss and damage to its ongoing business
7 relationship with Midnight Star.

8 50. In a further deliberate attempt to expropriate Solar's
9 artists and business, EA/WCI in or about 1986 has unlawfully
10 interfered with Solar's contract with The Deele, a successful
11 Solar group, by contacting the group and offering them a
12 separate recording deal.

13
14 EA/WCI's Improper "Requirement" of Additional Album

15
16 51. In or about 1984 through 1986, EA/WCI repudiated the
17 distribution agreement, and as amended, and demanded that Solar
18 supply additional phonograph record albums for, including
19 without limitation, Midnight Star and The Deele, which were not
20 required by the distribution agreement or the amendment
21 thereto. Such demand constitutes a further attempt by EA/WCI
22 to leverage and force Solar into making further unilateral
23 concessions.

24
25 Transfer of EA's Location to New York

26
27 52. As hereinabove alleged, despite oral and written
28 representations and warranties from EA/WCI, EA abruptly moved

1 its base of operations from California to New York in or about
2 May, 1983. Griffey, immediately upon being informed of EA's
3 transfer, requested that he and Solar be released from their
4 agreements with EA/WCI. EA/WCI refused and threatened to
5 accelerate Griffey's loan obligation if he continued to insist
6 upon being released from the agreements. EA's transfer has
7 engendered substantial expense to Solar and severely damaged
8 Solar's business by impairing vital, continuing in-person
9 contact between Solar and EA with respect to critical marketing
10 decisions, album artwork and artwork approval, publicity,
11 advertising and promotion, and ongoing examination and review
12 by Solar, and by Solar and EA/WCI jointly, of royalty
13 statements and other accountings.

14
15 EA/WCI's Failure to Abide by Contractual "Cure" Period

16
17 53. Paragraph 23(a) of the distribution agreement provides
18 for a twenty-one (21) day cure period in the event that Solar
19 is alleged to have breached the distribution agreement. In or
20 about 1984 through 1986, EA/WCI has repeatedly ignored and
21 refused to abide by such protective cure provision in
22 unilaterally taking relief for itself, without allowing for an
23 opportunity to cure, for alleged breaches asserted by it.

24
25 EA/WCI's Failure to Abide By "Calendar Year"
26 Calculation

27
28 54. Paragraph 27(a) of the distribution agreement provides

1 for stepped increases in royalty rates based upon aggregate net
2 sales during a particular calendar year. EA/WCI notwithstanding
3 has improperly divided up calendar years and arbitrarily
4 reduced the applicable royalty rate.

5
6 EA/WCI's Failure to Pay Annual Charitable Donation to
7 Donny Hathaway Scholarship Fund

8
9 55. As a meaningful dedication to the memory of the late
10 Donny Hathaway, an accomplished musician and suicide victim,
11 Griffey established the Donny Hathaway Scholarship Fund, a
12 charitable institution, to promote and finance the education,
13 training and development of poor, underprivileged and
14 musically-talented black high school students. Although the
15 distribution agreement obligates EA/WCI to do so, EA/WCI has
16 refused to make a required annual payment of \$10,000 to or on
17 behalf of the Donny Hathaway Scholarship Fund.

18
19 FIRST CLAIM FOR RELIEF

20 (Deprivation of Civil Rights by Solar
21 and Griffey against EA/WCI)

22 [42 U.S.C. §1981]

23
24 56. Solar and Griffey reallege, adopt and incorporate
25 paragraphs 1 through 55, inclusive.

26 57. Griffey is an American Black and the principal owner
27 and officer of Solar. Solar is a business which, at all
28 relevant times, is and was wholly-owned and controlled by Black

1 Americans.

2 58. Solar and Griffey are informed and believe, and on
3 that basis allege, that EA/WCI has deprived and prevented Solar
4 and Griffey from the enjoyment of the same right in enforcing
5 contracts, namely the distribution agreement, as is enjoyed by
6 white citizens, and to the full and equal benefit of such
7 contracts and the properties covered thereby by refusing and
8 failing to expend contractually-required or adequate sums for
9 the promotion, advertising, publicity, marketing and
10 distribution of the product of Solar and Solar's artists on the
11 unlawful and discriminatory basis that Griffey is a Black
12 American and that Solar is Black-owned and controlled and that
13 Solar's artists are Black Americans.

14 59. As a result of such arbitrary and racially-based
15 refusal and failure, Solar and Griffey have been deprived of
16 substantial monies, have suffered substantial loss of income
17 and other benefits; experienced loss of reputation, future
18 economic and business opportunities, future and prospective
19 economic growth and well-being; suffered substantial damage or
20 total loss of good will, public position and the ability and
21 opportunity to promote and enter into contracts with other
22 musical groups and otherwise been damaged in an amount which
23 cannot be presently ascertained, but which is not less than
24 \$10,000,000. Solar and Griffey will amend the Complaint when
25 the full and exact amount of damages have been ascertained.

26 60. Solar and Griffey are informed and believe, and upon
27 that basis, allege that the foregoing acts were committed by
28 EA/WCI with the intention of injuring Solar and Griffey in

1 conscious disregard of Solar and Griffey's rights. Solar and
2 Griffey are therefore entitled to exemplary and punitive
3 damages for the sake of example and by way of punishing EA/WCI
4 in the sum of \$20,000,000.

5
6 SECOND CLAIM FOR RELIEF

7 (Deprivation of Civil Rights by Solar and
8 Griffey against EA/WCI)

9 [42 U.S.C. §1982]

10
11 61. Solar and Griffey reallege, adopt and incorporate
12 by reference paragraphs 1 through 55, inclusive.

13 62. Solar and Griffey are informed and believe, and upon
14 that basis allege, that the acts as hereinabove alleged have
15 deprived Solar and Griffey, and each of them of the same
16 enjoyment as white citizens to purchase and hold real property.

17 63. Solar and Griffey are informed and believe, and upon
18 that basis allege, that EA/WCI has arbitrarily and unreasonably
19 withheld substantial recording fund payments and other payments
20 which, as EA/WCI well knew, would make it impossible for Solar
21 and Griffey to satisfy Griffey's obligations under the loan
22 agreement for the financing of Solar and Griffey's commercial
23 building on the unlawful and discriminatory basis that Griffey
24 is a Black American and Solar is a Black-owned and controlled
25 company. EA/WCI's acts have unfairly deprived Solar and
26 Griffey of their right to purchase and hold real property.

27 64. By reason of the foregoing, Solar has been deprived of
28 substantial money owed to it by EA/WCI; has suffered

1 substantial loss of income and other benefits; experienced loss
2 of reputation, future economic and business opportunities,
3 future and prospective and economic growth and well-being;
4 suffered substantial damage or total loss of good will, public
5 position and the ability and opportunity to promote and enter
6 into contracts with other musical groups and otherwise been
7 damaged in an amount which cannot be presently ascertained, but
8 which is not less than \$10,000,000. Solar and Griffey will
9 amend the Complaint when the full and exact amount of damages
10 have been ascertained.

11 65. Solar and Griffey are informed and believe, and upon
12 that basis allege, that the foregoing acts were committed by
13 EA/WCI with the intention of injuring Solar and Griffey and in
14 conscious disregard of Solar and Griffey's rights. Solar and
15 Griffey are therefore entitled to exemplary and punitive
16 damages for the sake of example and by way of punishing EA/WCI
17 in the sum of \$20,000,000.

18
19 THIRD CLAIM FOR RELIEF

20 (For Breach of Contract by Solar Against EA/WCI)

21
22 66. Solar realleges, adopts and incorporates by reference
23 paragraphs 1 through 55, inclusive.

24 67. Solar is informed and believes that beginning in or
25 about 1984, and continuing through the present time, EA/WCI has
26 materially breached and repudiated the distribution agreement
27 and amendment thereto by failing to properly account for
28 royalties and other money received; by improperly withholding

1 monies from Solar; by interfering with Solar's relationships
2 with its artists; by coercing Solar into entering into a loan
3 agreement directly with EA/WCI; and by unfairly competing with
4 Solar, all as more fully alleged herein.

5 68. Solar has performed all of its obligations under the
6 distribution agreement and amendment thereto, except those
7 which have been excused by the breaches, violations, acts and
8 omission to act by EA/WCI.

9 69. As a direct and proximate result of the foregoing
10 breaches, Solar has been deprived of substantial money owed to
11 it by EA/WCI; has suffered substantial losses, income and other
12 benefits; experienced loss of reputation, future economic and
13 business opportunities, future and prospective economic growth
14 and well-being; suffered substantial damage or total loss of
15 good will, public position, and the ability and opportunity to
16 promote and enter into contracts with other musical groups and
17 has suffered damages in the sum of not less than \$10,000,000.
18 Solar will seek leave to amend this Complaint to set forth the
19 exact amount of damages following an accounting, as prayed for
20 herein, and ascertainment of same.

21
22 FOURTH CLAIM FOR RELIEF

23 (For Breach of Contract by Griffey Against EA/WCI)

24
25 70. Griffey realleges, adopts and incorporates by
26 reference paragraphs 1 through 55, inclusive.

27 71. In or about 1985, EA/WCI materially breached the
28 consulting agreement by failing and refusing, and continuing to

1 fail and refuse, to pay Griffey his fixed compensation to which
2 he was entitled thereunder and to consult Griffey on each and
3 all matters involving American Black music.

4 72. As a consequence of the foregoing breaches, Griffey
5 has not received at least \$25,000.00 to which he is entitled
6 and has suffered loss of income, reputation and economic and
7 business opportunities.

8 73. Griffey has performed all of his obligations under the
9 distribution agreement and amendment thereto, except those
10 which have been excused by the breaches, violations, acts and
11 omission to act by EA/WCI.

12 74. As a direct and proximate result of the foregoing
13 breaches, Griffey has sustained damages in the sum of not less
14 than \$25,000.00. The damages are continuing and cannot now be
15 fully or exactly ascertained. Griffey will amend the Complaint
16 when the full and exact amount of damages have been ascertained.

17
18 FIFTH CLAIM FOR RELIEF

19 (For Breach of Covenant of Good Faith and
20 Fair Dealing by Solar and Griffey against EA/WCI)

21
22 75. Solar and Griffey reallege, adopt and incorporate by
23 reference paragraphs 1 through 55, inclusive.

24 76. Each of the written agreements between Solar and
25 Griffey and EA/WCI, including the distribution agreement,
26 amendment to distribution agreement, consulting agreement and
27 loan agreement, as alleged herein, contain both implied and
28 express covenants of good faith and fair dealing, which provide

1 that EA/WCI will, at all times, act in good faith and deal
2 fairly with Solar and Griffey and will not engage in any acts
3 which would prevent Solar and Griffey from realizing the full
4 benefit of their agreements with EA/WCI.

5 77. Solar and Griffey are informed and believe, and upon
6 that basis allege, that EA/WCI has breached its covenants of
7 good faith and fair dealing by interfering with Solar's
8 contracts with its artists and otherwise undermining Solar and
9 Griffey's relationships with their artists; by failing to
10 account for royalties and other monies due and owing to Solar
11 and Griffey; and by failing to honor commitments regarding
12 Solar and Griffey's position with EA/WCI and the location of
13 EA's base of operations.

14 78. Solar and Griffey are informed and believe, and upon
15 that basis allege, that EA/WCI also breached its covenants by
16 inducing Griffey to accede to the terms and conditions of the
17 loan agreement with EA/WCI whereby Solar was placed in a
18 precarious financial position and EA/WCI could improperly
19 exercise financial control over Solar and expropriate Solar's
20 business and relationships with its artists.

21 79. By reason of the foregoing, Solar has been deprived of
22 substantial money owed to it by EA/WCI; has suffered
23 substantial loss of income and other benefits; experienced loss
24 of reputation, future economic and business opportunities,
25 future and prospective economic growth and well-being; suffered
26 substantial damage or total loss of good will, public position
27 and the ability and opportunity to promote and enter into
28 contracts with other musical groups and otherwise been damaged

1 in an amount which cannot be presently ascertained, but which
2 is not less than \$10,000,000. Solar and Griffey will amend the
3 Complaint when the full and exact amount of damages have been
4 ascertained.

5 80. Solar and Griffey are informed and believe, and upon
6 such basis allege, that the foregoing acts were committed by
7 EA/WCI with the intention of injuring Solar and Griffey and in
8 conscious disregard of Solar and Griffey's rights. Solar and
9 Griffey are therefore entitled to exemplary and punitive
10 damages for the sake of example and by way of punishing
11 defendants in the sum of \$20,000,000.

12
13 SIXTH CLAIM FOR RELIEF

14 (For Breach of Fiduciary Duty by Solar
15 and Griffey Against EA/WCI)
16

17 81. Solar and Griffey reallege, adopt and incorporate by
18 reference paragraphs 1 through 55, inclusive.

19 82. EA/WCI agreed to serve and did serve as Solar and
20 Griffey's agent in, among other things, collecting, accounting
21 for, and disbursing royalties and other payments derived from
22 EA/WCI's distribution of Solar's artists' phonograph records.
23 Further, pursuant to the agreements, as well as the express and
24 implied representations from EA/WCI to Griffey and Solar, Solar
25 and Griffey reposed trust and confidence in EA/WCI to
26 faithfully and accurately account for all monies received, to
27 actively promote and publicize its artists under contract to
28 Solar, to withhold only such monies which were properly

1 deductible or susceptible to being placed temporarily in
2 reserve, and to otherwise treat Solar as the equivalent of an
3 in-house American Black music division. EA/WCI is and was
4 therefore a fiduciary to Solar and Griffey.

5 83. EA/WCI has breached its fiduciary duty to Solar and
6 Griffey by improperly holding monies in reserve; by failing to
7 account for royalties and other monies received; by interfering
8 with Solar's relationships with its artists; by expropriating
9 and passing off on Solar's publicity photographs; by refusing
10 to publicize and promote Solar's artists; and by engaging in a
11 general plan designed to expropriate Solar and Griffey's
12 business and livelihood, as more fully alleged herein.

13 84. By reason of the foregoing, Solar has been deprived of
14 substantial money owed to it by EA/WCI; has suffered
15 substantial loss of income and other benefits; experienced loss
16 of reputation, future economic and business opportunities,
17 future and prospective economic growth and well-being; suffered
18 substantial damage or total loss of good will, public position
19 and the ability and opportunity to promote and enter into
20 contracts with other musical groups and otherwise been damaged
21 in an amount which cannot be presently ascertained, but which
22 is not less than \$10,000,000. Solar and Griffey will amend the
23 Complaint when the full and exact amount of damages have been
24 ascertained.

25 85. Solar and Griffey are informed and believe, and upon
26 that basis allege, that the foregoing acts were committed by
27 EA/WCI with the intention of injuring Solar and Griffey and in
28 conscious disregard of Solar and Griffey's rights. Solar and

1 Griffey are therefore entitled to exemplary and punitive
2 damages for the sake of example and by way of punishing EA/WCI
3 in the sum of \$20,000,000.
4

5 SEVENTH CLAIM FOR RELIEF

6 (For Rescission by Solar and Griffey Against EA/WCI)
7

8 86. Solar and Griffey reallege, adopt and incorporate by
9 reference paragraphs 1 through 55, inclusive.

10 87. As alleged herein, on or about May 1, 1981, Solar,
11 Griffey and EA/WCI entered into the distribution agreement and
12 option agreement. Thereafter, in or about January, 1984, Solar
13 and Griffey, under duress, entered into the amendment to the
14 distribution agreement.

15 88. In or about 1983, EA/WCI, with the intent to deceive
16 Solar and Griffey and to induce them to continue to perform
17 under such agreements, represented and continued to represent
18 that EA/WCI would perform under the agreements and would not
19 unfairly compete with Solar and Griffey.

20 89. Solar and Griffey have fully complied with all of
21 their promises, obligations and covenants under the agreements
22 alleged herein.

23 90. Solar and Griffey are informed and believe, and on
24 that basis allege, that the true facts are that, since in or
25 about 1983, EA/WCI has not performed under the agreements but
26 has materially breached and repudiated the agreements by
27 failing to properly account for royalties and other money
28 received, by improperly withholding monies from Solar, by

1 interfering with Solar's relationships with its artists, by
2 unfairly competing with Solar, and by manipulating the onerous
3 terms and conditions of the loan agreement to perpetuate these
4 and other breaches, all as more fully alleged herein.

5 91. Solar and Griffey intend service of summons of this
6 Complaint to serve as notice of rescission of the distribution
7 agreement and amendment thereto (with the exception of
8 paragraph 22 of the amendment to the distribution agreement)
9 and the option agreement.

10
11 EIGHTH CLAIM FOR RELIEF

12 (For Duress-Lender's Liability by Solar and
13 Griffey Against EA/WCI)
14

15 92. Solar and Griffey reallege, adopt and incorporate by
16 reference paragraphs 1 through 55, inclusive.

17 93. Pursuant to the loan agreement, Solar assumed the
18 position of borrower and EA/WCI of lender, with the attendant
19 obligations of good faith and fair dealing imposed on lenders.

20 94. Solar and Griffey are informed and believe, and upon
21 such basis allege, that beginning in or about 1983 EA/WCI has
22 engaged in a pattern and course of conduct designed to
23 undermine Solar's financial position and to specifically
24 prevent Solar and Griffey from being able to meet their payment
25 obligations under the loan agreement.

26 95. As alleged herein, beginning in or about 1983 EA/WCI
27 has used the loan obligation to extract concessions from Solar
28 and Griffey against their free will. Further, EA/WCI has caused

1 to be filed a Notice of Default and election to sell the Trust
2 Deed in contemplation of non-judicial foreclosure. The acts --
3 alleged herein are of such a character as to overcome the free
4 will of Solar and Griffey and cause Solar and Griffey to act in
5 a manner they would not otherwise choose and are under no legal
6 obligation to follow.

7 96. The harm to Solar and Griffey's business and good will
8 and the restraint placed upon Solar and Griffey's freedom to
9 act is imminent and Solar and Griffey have no means of
10 protection.

11 97. Solar and Griffey are informed and believe, and upon
12 such basis allege, that the acts and threats alleged herein are
13 willful, malicious and not contemplated by EA/WCI in good
14 conscience. EA/WCI's coercive acts towards Solar have resulted
15 in EA/WCI's unjust enrichment. Any further offensive use by
16 EA/WCI of the loan agreement would be used solely for EA/WCI's
17 commercial advantage and to the severe detriment of Solar and
18 Griffey.

19 98. Solar and Griffey are informed and believe, and upon
20 such basis allege, that EA/WCI has further exploited its
21 position as lender by withholding monies from Solar and by
22 failing and refusing to return property and other collateral
23 rightfully belonging to Solar and Griffey, thereby depriving
24 Solar and Griffey of the opportunity to timely meet their loan
25 obligations or to secure alternative financing in order to
26 discharge their obligations under the loan agreement.

27 99. As a direct and proximate result of the foregoing
28 breaches, Solar has sustained damages in the sum of not less

1 than \$10,000,000. Solar and Griffey will seek leave to amend
2 this Complaint to set forth the exact amount following an
3 accounting, as prayed for herein, and ascertainment of same.

4 100. Solar and Griffey are informed and believe, and upon
5 such basis allege, that EA/WCI's offensive use of the loan
6 agreement and other acts alleged herein were committed with the
7 intention of injuring Solar and Griffey and with a conscious
8 disregard of their rights. Solar and Griffey are therefore
9 entitled to punitive and exemplary damages by way of example
10 and for the sake of punishing defendants in the sum of
11 \$20,000,000.

12 101. If EA/WCI is not enjoined from pursuing its offensive
13 use of the loan agreement in completing the non-judicial
14 foreclosure of the Trust Deed, Solar and Griffey will suffer
15 irreparable harm. Solar and Griffey have no means of
16 protection against these offensive tactics of EA/WCI.

17
18 NINTH CLAIM FOR RELIEF

19 (For Fraud by Solar and Griffey Against EA/WCI)

20
21 102. Solar and Griffey reallege, adopt and incorporate
22 paragraphs 1 through 55, inclusive.

23 103. In or about 1983 and thereafter, EA/WCI represented
24 and warranted to Solar and Griffey that it would promote,
25 publicize, advance and finance Solar and its artists in a
26 manner commensurate with a top-quality distributor of
27 first-rate musical product, that it would distribute to Solar
28 and Griffey that share of royalties collected by EA/WCI and due

1 and owing to Solar and Griffey, that it would retain its base
2 of operations in Los Angeles, California, that it would consult
3 with Griffey with respect to all Black music matters and before
4 undertaking any transaction in connection therewith, that it
5 would deal fairly and in good faith with Solar and Griffey at
6 all times, and that it would treat Solar as the equivalent of
7 an American Black music division.

8 104. Solar and Griffey justifiably relied on these
9 representations and warranties, and believed them to be true.
10 In reliance thereon, Solar and Griffey performed and continued
11 to perform services under the agreements with EA/WCI. Had they
12 known the truth, they would not have done so.

13 105. Solar and Griffey are informed and believe, and upon
14 such basis allege, that EA/WCI made the foregoing false
15 representations and warranties with the express intent to
16 deceive and to defraud Solar and Griffey and to induce Solar
17 and Griffey to perform and continue to perform services under
18 the agreements.

19 106. As a consequence of the foregoing fraudulent acts or
20 omissions to act, Solar and Griffey were injured; Griffey has
21 also suffered grievous pain and suffering, and experienced loss
22 of peace of mind.

23 107. As a direct and proximate result of the foregoing
24 fraudulent acts and omissions to act, Solar and Griffey have
25 sustained damages in the sum of not less than 10,000,000. The
26 damages are continuing and cannot now be fully or exactly
27 ascertained. Solar and Griffey will amend the Complaint when
28 the full and exact amount of damages have been ascertained.

1 otherwise undermine, expropriate and destroy Solar and
2 Griffey's business.

3 111. Solar and Griffey are informed and believe, and on
4 that basis allege, that EA/WCI concealed such plan, design and
5 scheme from Solar and Griffey for the purpose of inducing Solar
6 and Griffey to perform and continue to perform services under
7 the agreements.

8 112. Solar and Griffey relied upon EA/WCI and performed
9 services under the agreements. Solar and Griffey would not
10 have done so if they had been aware of EA/WCI's plan, design
11 and scheme.

12 113. By reason of the foregoing, Solar and Griffey have
13 been pecuniarily damaged in an amount which cannot presently be
14 ascertained but which Solar and Griffey are informed and
15 believe, and upon such basis allege, is in an amount in excess
16 of \$10,000,000.

17 114. Solar and Griffey are informed and believe, and upon
18 that basis allege, that EA/WCI did not engage in these
19 omissions, concealments and failures to disclose out of any
20 sincere or proper motive. EA/WCI was and is guilty of
21 oppression, fraud and malice; has subjected Solar and Griffey
22 to cruel and unjust hardships, in conscious disregard of the
23 rights of Solar and Griffey and with the unconscionable,
24 intentional and ulterior motive of trying to expropriate and
25 destroy Griffey and Solar's business. Solar and Griffey are
26 entitled to and demand exemplary and punitive damages in the
27 sum of \$20,000,000, in addition to the compensatory damages
28 alleged.

1 interfered with Solar's existing contractual relationships,
2 EA/WCI was guilty of malice, oppression and willful disregard
3 for the rights of Solar. By reason of these acts, Solar seeks
4 punitive and exemplary damages in the sum of \$20,000,000.
5

6 TWELFTH CLAIM FOR RELIEF

7 (Interference with Prospective Economic Advantage
8 by Solar and Griffey Against EA/WCI)
9

10 120. Solar and Griffey reallege, adopt and incorporate by
11 reference paragraphs 1 through 55, inclusive.

12 121. At all times herein alleged, Solar and Griffey had
13 imminent and potentially profitable prospective economic
14 relationships with artists under existing contracts to Solar
15 including Shalamar, Midnight Star and The Deele, as well as
16 prospective relationships with other Black American musical
17 groups.

18 122. EA/WCI was thoroughly aware of the aforementioned
19 existing and prospective economic relationships when it made
20 direct and unauthorized contact with Howard Hewett, Midnight
21 Star and The Deele in violation of Solar's existing contracts
22 and in contemplation of EA/WCI diverting prospective economic
23 benefits away from Solar and towards EA/WCI, as more fully
24 alleged herein.

25 123. As a direct and proximate result of EA/WCI's
26 unauthorized interference with Solar's prospective economic
27 advantage, Solar and Griffey have been deprived of their
28 relationship with Howard Hewett, have suffered damage to their

1 ongoing and prospective relationships with the musical groups
2 Shalamar, Midnight Star, The Deele and other Black American
3 musical groups, have suffered grievous injury to their goodwill
4 and standing in the Black American musical community and have
5 been further injured in an amount which cannot now be
6 ascertained, but which Solar and Griffey are informed and
7 believe exceeds \$10,000,000. Solar and Griffey will amend the
8 Complaint to state the exact amount of damage when the same
9 becomes known.

10 124. At the time EA/WCI improperly and deliberately
11 interfered with Griffey and Solar's prospective economic
12 relationships, EA/WCI was guilty of malice, oppression and
13 willful disregard for the rights of Solar and Griffey. By
14 reason of these acts, Solar and Griffey seek punitive and
15 exemplary damages in the sum of \$20,000,000.

16
17 THIRTEENTH CLAIM FOR RELIEF

18 (Interference with Contractual Relations by
19 Griffey (doing business as Hip Trip Music
20 and Spectrum VII) Against EA/WCI
21 and Warner Brothers Music)

22
23 125. Griffey hereby realleges, adopts and incorporates by
24 reference paragraphs 1 through 31, inclusive.

25 126. In or about May, 1981, and co-terminous with the
26 distribution agreement, Hip Trip-Spectrum, the sole
27 proprietorship businesses of Griffey, and Howard Hewett entered
28 into a co-publishing agreement with respect to the publication

1 of songs contained in record albums recorded by Hewett and
2 Shalamar under their exclusive recording contract with Solar
3 and the collection and distribution of mechanical royalties
4 based thereon.

5 127. In or about 1985, Griffey Solar met with Warner
6 Brothers Music regarding the possibility of Warner Brothers
7 Music administering Hip Trip-Spectrum and, at the request of
8 Warner Brothers Music, disclosed confidential information about
9 the contractual relationship between Hip Trip-Spectrum and
10 Howard Hewett.

11 128. Griffey is informed and believes, and upon such basis
12 alleges, that in or about 1986, with knowledge of Griffey and
13 Hip Trip-Spectrum's existing contractual relationship, and with
14 the intent to interfere with such relationship and to induce
15 the breach thereof, Warner Brothers Music and EA/WCI
16 unilaterally and without authorization of Griffey or Hip
17 Trip-Spectrum approached Hewett, induced him into breaching his
18 agreement with Hip Trip-Spectrum, and enticed him into a
19 co-publishing contract with Warner Brothers Music.

20 129. The aforementioned unjustified and wrongful acts by
21 EA/WCI and Warner Brothers Music proximately caused the breach
22 of Griffey and Hip Trip-Spectrum's contractual relationship
23 with Howard Hewett as fully alleged herein, further damaged
24 Griffey's existing and ongoing relationship with Solar's
25 artists and further injured Griffey in an amount which cannot
26 presently be ascertained, but which Griffey is informed and
27 believes exceeds \$1,000,000. Griffey will amend this Complaint
28 when the damages can be ascertained.

1 herein, and will amend the Complaint when such amount becomes
2 known.

3 135. Solar and Griffey have duly demanded payment of the
4 above sum from EA/WCI, but EA/WCI has failed and refused, and
5 continues to fail and refuse to make such payment.

6 136. As a proximate result of EA/WCI's conversion, Solar
7 and Griffey have been deprived of the foregoing sum and further
8 injured in an amount which cannot now be ascertained, but which
9 Solar and Griffey are informed and believe exceeds
10 \$10,000,000. Solar and Griffey will amend the Complaint to
11 state the exact amount of damage when the same becomes known.

12 137. At the time EA/WCI converted the monies, EA/WCI was
13 guilty of malice, oppression and a willful disregard for the
14 rights of Solar and Griffey in that EA/WCI, without making any,
15 or only minimal, investigation and with reckless indifference
16 and wanton disregard for the rights of Solar and Griffey, did
17 convert these monies.

18 138. Further, after knowledge and notice of Solar and
19 Griffey's interest in the converted monies was given to EA/WCI,
20 EA/WCI failed and refused, and continues to fail and refuse, to
21 turn over the monies to Solar and Griffey. By reason of these
22 acts, Solar and Griffey have been oppressed and seek punitive
23 and exemplary damages in the amount of \$10 million.

